

PATTISHALL

insights

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“ THE COURT
REFUSED TO
GRANT BLANKET
LANHAM ACT
IMMUNITY TO
ADVERTISING CLAIMS
SUBJECT TO
SCIENTIFIC DEBATE. ”

NOT SAVED BY SCIENCE Fifth Circuit Rules False Advertising Claims Based on Debated Science Subject to Lanham Act Liability, Not Protected First Amendment Speech

By Jason Koransky



If scientific research showed that household products could make you sick, commercial advertising purportedly based on this research could certainly influence decisions to stop purchasing and using these products. But what if disputes existed regarding the validity of the research allegedly supporting such advertising claims? The recent case *Eastman Chemical Co. v. PlastiPure, Inc.*, No. 13-51087, 2014 WL 7271384 (5th Cir. Dec. 22, 2014) highlights to what extent advertising claims based on disputed scientific research are shielded from Lanham Act liability by the First Amendment.

The case involved plastics. Research has shown that the chemical bisphenol A (commonly known as “BPA”) in plastic bottles and food storage containers can mimic estrogen in the human body, which purportedly can lead to cancer and various other health problems. To capitalize on the growing market for BPA-free plastics, the Eastman Chemical Company developed and sells a BPA-free plastic called Tritan, which Eastman claims does not exhibit the estrogenic activity (“EA”) responsible for adverse health effects.

PlastiPure, Inc. and CertiChem, Inc. are companies founded by Dr. George Bittner, a professor in Texas. PlastiPure developed and sells its own EA-free plastic, and CertiChem tests materials for hormonal activity. In 2011, CertiChem published an article in the peer-reviewed *Environmental Health Perspectives*, which summarized the results of its EA testing of more than 500 plastic products. While CertiChem tested products made from Tritan, the article did not mention Tritan by name. Prior to the article’s publication, however, PlastiPure published and distributed a three-page sales brochure allegedly based on CertiChem’s research. The brochure included a chart claiming that products containing Eastman’s Tritan plastic leached chemicals responsible for significant levels of EA. PlastiPure also made similar claims on its website and in press releases.



THE FIRST AMENDMENT PRESUMABLY PROTECTS JOURNAL ARTICLES, OTHER PEER-REVIEWED SCIENTIFIC RESEARCH, AND PROMOTIONAL MATERIALS ACCURATELY SUMMARIZING THIS RESEARCH. ON THE OTHER HAND, COMPANIES MUST BE CAREFUL WHEN CONVERTING RESEARCH INTO ADVERTISING MATERIALS, AS SUCH COMMERCIAL SPEECH DOES NOT NECESSARILY FALL UNDER THE SAME “SCIENTIFIC DEBATE” UMBRELLA.



Eastman disputed PlastiPure’s claims in the brochure, website, and press releases, and sued PlastiPure and CertiChem for false advertising under the Lanham Act, as well as business disparagement, tortious interference, unfair competition, and conspiracy. At trial, the parties offered competing expert testimony about the definition of EA, how to test for EA, and whether Tritan exhibits EA. The jury “heard from a dizzying number of experts” and the “case was ultimately nothing more than a battle of the experts.” *Eastman Chemical Co. v. PlastiPure, Inc.*, 969 F. Supp. 2d 756, 761 (W.D. Tex. 2013). Ultimately, the jury ruled in favor of Eastman, finding PlastiPure and CertiChem liable for false advertising under the Lanham Act.

In post-trial motions, PlastiPure and CertiChem argued that the Lanham Act did not apply to the statements about Tritan because they were subject to scientific debate, and thus protected by the First Amendment. The district court disagreed, and entered an injunction. The court found that the jury weighed the competing expert testimony and came to a reasonable conclusion that Tritan did not exhibit EA. Accordingly, the statements in the marketing materials, although allegedly based on CertiChem’s peer-reviewed research, were properly placed before the jury. *Id.* at 760–61.

PlastiPure and CertiChem had argued in their motions that the court should apply the Second Circuit’s decision in *ONY, Inc. v. Cornerstone Therapeutics, Inc.*, 720 F.3d 490 (2d Cir. 2013), and hold that because scientists disagreed about some of the EA issues subject to the Lanham Act claims, these statements were *per se* not actionable. The court, however, distinguished this case from *ONY*. In *ONY*, the plaintiff sued based on the publication of research in a scientific journal article, as well as marketing materials accurately touting the article’s conclusions and citing the findings. *ONY*, 720 F.3d at 495. The Second Circuit stated that “courts are ill-equipped to undertake to referee” controversies played out in scientific journals, which “are more closely akin to matters of opinion.” *Id.* at 497.

In *Eastman*, however, the district court found that the case did not concern the journal article. Rather, Eastman’s claims derived from statements in “commercial advertisements or promotions . . . made to consumers, not scientists. It is about statements made without the necessary context presented by a full scientific study, such as a description of the data, the experimental methodology, the potential conflicts of interest, and the differences between raw data and the conclusions drawn by the researcher.” *Eastman Chemical*, 969 F. Supp. 2d at 764.

The Fifth Circuit agreed. In affirming the district court, it highlighted that Eastman’s claims were based on marketing materials, and not the scientific journal article. Further, these materials were distributed before the article’s publication, and while the article never mentioned Eastman’s Tritan, the marketing materials highlighted the EA associated with Tritan. *Eastman Chemical*, 2014 WL 7271384, at *5. The court refused to grant blanket Lanham Act immunity to advertising claims subject to scientific debate:

Advertisements do not become immune from Lanham Act scrutiny simply because their claims are open to scientific or public debate. Otherwise, the Lanham Act would hardly ever be enforceable — “many, if not most, products may be tied to public concerns with the environment, energy, economic policy, or individual health and safety.”

Id. at *4 (citing *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm’n of New York*, 447 U.S. 557, 563 n.5 (1980)).

Accordingly, the Fifth Circuit found that applying the Lanham Act to the commercial advertising at issue would not “stifle academic freedom or intrude on First Amendment values,” as the jury had found these statements to be false. *Id.* at *5.

This case presents some important takeaways. First, it clarifies the delineation between published scientific research and commercial advertising as they relate to Lanham Act liability. The First Amendment presumably protects journal articles, other peer-reviewed scientific research, and promotional materials accurately summarizing this research. On the other hand, companies must be careful when converting research into advertising materials, as such commercial speech does not necessarily fall under the same “scientific debate” umbrella and therefore enjoy similar First Amendment immunity.

Next, the case emphasizes the need to scrutinize and substantiate advertising claims. While CertiChem had tested products containing Tritan, its journal article did not mention the plastic by name. As such, snippets of this research converted into marketing materials that named Tritan were problematic, as an insufficient nexus existed between the advertising and the article to create First Amendment immunity. Simply put, the advertising material made claims that PlastiPure and CertiChem could not substantiate. ■

NEW ASSOCIATE

■ Jason M. Koransky

Jason has joined the firm as an Associate. Jason received his J.D., *summa cum laude*, from The John Marshall Law School, and served as a law clerk for the Honorable Harry D. Leinenweber in the U.S. District Court for the Northern District of Illinois. Before transitioning into a career as an attorney, Jason worked as a journalist for more than a decade. For 10 years he served as the editor of *DownBeat* magazine, an international music magazine devoted to jazz and blues. At *DownBeat* he gained a deep understanding of the issues affecting musicians, record labels, music publishers, venues, and the other entities in the music industry, as well as the myriad issues confronting journalists and publishers. He carries his experience in the music and publishing industries into his law practice.

APPOINTMENTS

■ Paul A. Borovay



Paul has been appointed to the Trademark Working Committee for ASIPI, the Asociacion Interamericana de la Propiedad Intelectual, the Latin American IP professional association of which our late partner Jeremiah McAuliffe was a founding member. Paul was also appointed to co-Chair the Bailiff Committee for INTA's Saul Lefkowitz Moot Court Competition, in February.

■ Thad Chaloehtiarana



Thad has been appointed to the 2015 Young Lawyer Fellows Selection Committee for the American Bar Association ("ABA") Section of Intellectual Property Law.

■ Janet A. Marvel

Janet has been appointed as a Judge for INTA's Saul Lefkowitz Moot Court Competition, in February.

■ Robert W. Sacoff

Bob has been reappointed to the AIPPI Communications Committee, which among other things, publishes the bi-monthly *AIPPI e-News*.

■ Joseph N. Welch II

Joe has been reappointed to the ABA Books Editorial Board.

PRESENTATIONS

■ Seth I. Appel

Seth will speak on "Hot Issues in the TTAB" at The John Marshall Law School's 59th Annual Intellectual Property Law Conference in Chicago, on February 27.

■ Brett A. August

Brett spoke in November on "False Advertising: So Many Ways to Break Bad" at the Intellectual Property Law Association of Chicago ("IPLAC") IP Law Symposium, in Chicago.



■ Ashly Iacullo Boesche

Ashly spoke in October at the Chicago Bar Association ("CBA") on "Current Issues in Electronic Discovery in Federal Court," as part of the Association's Breakfast Basics Series organized by Jonathan Jennings. Ashly was also a panelist on "Intellectual Property Law Basics for Non-Attorneys, Non-IP Attorneys and New IP Attorneys" at the CBA, in October.

■ Janet A. Marvel

Janet spoke in November on "Trademark Licensing" at the Practising Law Institute's Seminar on "Understanding the Intellectual Property License 2014."

■ Belinda J. Scrimenti

On February 19, Belinda will speak about the use of counterclaims in trademark cases on a panel titled "The Best Defense is a Good Offense: Tactical Use of Offensive Counterclaims in IP Litigation" sponsored by IPLAC.

■ Uli Widmaier

Uli will be a Panelist on a Strafford live webinar titled "Trademark Infringement: Demonstrating Irreparable Harm to Obtain an Injunction," on January 27.

PUBLICATIONS

■ Jonathan S. Jennings

An updated version of the book "*Trademarks and Unfair Competition: Critical Issues in the Law*," co-authored by Jonathan Jennings, will be released in January, 2015. Jonathan's speech on "The Interplay between Trade Marks and Identity Rights" was discussed in the December 2014 issue of *Law Lore & Practice*.

■ Janet A. Marvel and Belinda J. Scrimenti

The 2014 cumulative supplement to the second edition of the book "*Trademark Infringement Remedies*" was published in January. Janet Marvel co-authors a chapter of the book on Extraordinary Circumstances and Relief, and Belinda Scrimenti authors a chapter on State Law Remedies for Trademark Infringement and Unfair Competition.

TEACHING

■ Ashly Iacullo Boesche



Ashly is teaching the course on Trademark Law and Unfair Competition at Chicago-Kent College of Law, and will also coach its two student teams competing this February in INTA's Saul Lefkowitz Moot Court Competition.

■ Jonathan S. Jennings

Jonathan is teaching the course on Trademarks and Unfair Competition Law at Northwestern University School of Law.

■ Uli Widmaier

Uli Widmaier and Chad Doellinger, Associate General Counsel of Wal-Mart Stores, Inc., are co-teaching the class on Advanced Trademarks and Unfair Competition at the University of Chicago Law School. Uli and Chad have been teaching this class at U. of C. Law School since 2003.

firm NOTEWORTHY, HONORS & AWARDS

Association of Legal Administrators

Pattishall Director of HR & Operations, **Deborah A. O'Donnell**, achieved the Certified Legal Manager (CLM) designation from the Association of Legal Administrators—a designation held by less than 5% of the Association's total membership. CLMs are recognized as individuals who have met the work experience requirement, displayed a commitment to continuing education and passed a comprehensive examination demonstrating the mastery of the essential knowledge of a highly proficient legal administrator.

Pattishall McAuliffe

Our firm is proud to be a sponsor of The John Marshall Law School's 59th Annual Intellectual Property Law Conference to be held in Chicago on February 27.

American Lawyer Media (ALM)

Pattishall McAuliffe has been selected for inclusion in *Chicago's Top Ranked Law Firms of 2015*.

Architecture and Design

David C. Hilliard received a Lifetime Achievement Award last Fall from the Architecture and Design Society for his contributions to architecture and design in Chicago.

Corporate INTL Magazine

Robert M. Newbury has been recognized as the "IP Attorney of the Year in Illinois." **Brett A. August** has been recognized as the "Brand Protection Attorney of the Year in Illinois."

Corporate LiveWire

Phillip Barengolts has been named Lawyer of the Year in Litigation & Dispute Resolution in Chicago.

Illinois Super Lawyers 2015

Brett A. August, **Phillip Barengolts**, **Bradley L. Cohn**, **David C. Hilliard**, **Jonathan S. Jennings**, **Janet A. Marvel**, **Robert W. Sacoff**, **Belinda J. Scrimenti**, **Joseph N. Welch II** have been selected as Illinois Super Lawyers for 2015, and **Ashly Iacullo Boesche** has been selected as an Illinois Rising Star. **David** has been recognized as one of the top 100 Illinois Super Lawyers. **Belinda** was recognized in the October 2014 issue of *Chicago Magazine* titled "*The Top Women Attorneys in Illinois*."

Leading Lawyers Magazine, Business Edition

Brett A. August, **Thad Chaloehtiarana**, **Bradley L. Cohn**, **David C. Hilliard**, **Jonathan S. Jennings**, **Robert M. Newbury**, **Robert W. Sacoff** and **Joseph N. Welch II** have been recognized as Leading Lawyers in the State of Illinois.

U.S. News & World Report

Pattishall McAuliffe has been designated a National Tier 1 Trademark Law Firm for 2015 by *U.S. News & World Report*.

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